

Privatisation of two industries finalised

BSS, Dhaka

Privatisation Commission has finalised the formalities to privatise two public sector industries—Nishat Jute Mills of Tongi under Gazipur district and Kokil Textile Mills of Brahmanbaria.

That's It Knit Ltd was turned out as the highest bidder for Nishat Jute Mills while Mohammad Faruk Hossain Bepari became the highest bidder for Kokil Textile Mills Ltd.

The two bidders have already deposited money with the public exchequer as per the Letter of Intent (LOI) issued by the Privatisation Commission.

The highest bidder quoted Taka 19 crore for Nishat Jute Mills and he was granted a restructured loan of Taka 20 crore 25 lakh and 43 thousand. According to the terms of references of tender That's It Knit Ltd took the rebate facility of 35 per cent and paid Taka 12 crore 35 lakh at a time.

Bidder of Kokil Textile Mills quoted Taka 3 crore and he was granted a long term loan of Taka 8 crore 97 lakh 69 thousand and 506. He has paid 25 per cent of the quoted price as terms of tender.

The two industries will be handed over to the new owners very soon after completion of necessary formalities.

Tea soars in Ctg auction

STAFF CORRESPONDENT, Ctg

Tea prices soared in the weekly auction held in Chittagong on Tuesday.

In the 36th auction of the season, overall average price rose to Tk 77 a kg, with only one per cent withdrawal rate, out of 25,324 packages offered for sale.

In the previous auction, the average price was recorded at Tk 72 a kg, with withdrawal rate of over one per cent out of 27, 473 packages.

But three months ago, the average price was around Tk 60 per kg with an overall withdrawal rate of over 20 per cent, market sources said.

The sources said price of tea had shot up abruptly following an increase of internal demand.

However, tea traders said local buyers are active and paying high prices almost pushing out the export buyers from the auction.

Ensuing union parishad elections have fueled the internal demand, brokers said.

SEDF to provide assistance to Superior Footwear

BSS, Dhaka

South Asia Enterprise Development Facility (SEDF) signed a Letter of Understanding (LoU) with Superior Footwear Co. Ltd. (SFL) to provide training and technical assistance for quality certification and assistance in accessing new markets.

SFL is aiming to get the "CE" certification for the European Union market very soon. This is expected to enhance Bangladesh's image in the world markets and encourage other Bangladeshi companies to enter the 30 billion US dollars global PPE market.

SFL is the first Bangladeshi manufacturer of Goodyear Welted Safety Footwear which falls under the personal protective equipment (PPE) segment, said a release.

At a time when the government is encouraging and promoting exports, SFL is aiming to export protective footwear, a new segment for the country.

SFL has already received product certification from the Canadian Standards Association (CSA) to use "CSA Mark" on its products, and also the American National Standards Institute (ANSI) product certification.

Al Baraka Bank branch managers confce held

A day-long branch managers' conference of Al Baraka Bank Bangladesh Limited (proposed: The Oriental Bank Limited) was held at the auditorium of LGED Bhaban at Agargaon in the city yesterday, says a press release.

CM Koyes Sami, managing director of the bank, presided over the conference.

The conference was participated by all managers and divisional heads of the head office.

BGMEA defers reception to commerce minister

Move to hold polls free from govt influence

STAR BUSINESS REPORT

With only less than three weeks before the country's highest foreign exchange earning sector elects its new leadership, the incumbent leaders have deferred a reception to commerce minister on ground that it might influence the elections.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) had planned the reception to the commerce minister before the election but an electoral panel of the association complained that such a thing may influence the elections as the present leadership includes leaders who

would be vying in the upcoming polls.

Sammilita Parishad and Forum are jointly participating in the upcoming elections and some leaders of these two groups are executive committee members of incumbent Bangladesh Garment Manufacturers and Exporters Association (BGMEA) leadership.

Okkyia Jote, another panel contesting in the elections, at a press conference at a city hotel yesterday alleged the reception to the commerce minister might influence the voters.

On the other hand, BGMEA President Kutubuddin Ahmed

yesterday said as Okkyia Jote raised question about the scheduled reception, the association has already deferred the function and the reception will be accorded to the minister after the elections.

Sammilita Parishad and Forum formed a joint panel to participate in the polls.

"In order to protect the interest of the ordinary voters and prevent the joint panel's efforts to form BGMEA Board, we have decided to participate in the election under the Okkyia Jote led by Fazlul Azim," SU Haider told the press briefing.

The BGMEA present leadership should not take any step that may

have any impact on the election, he added.

Answering to a question, the Okkyia Jote supporter Major (rtd) Abdul Mannan, who is also a ruling party lawmaker, said there is no conflict between Finance and Planning Minister M Saifur Rahman and the garment industries. The finance minister has had many contributions for exploring garment business in Bangladesh, he added.

Abul Quasem Haider, Zainul Abidin Farroque MP, Hasan Abdullah, Muzaffar Siddique and Engr. Abu Taher were also present at the press conference.



Fazlul Azim, leader of Okkyia Jote panel in the upcoming BGMEA polls, speaks at a press conference in the city yesterday. Major (rtd) Abdul Mannan MP, Zainul Abidin Farroque MP and Okkyia Jote Chief Co-ordinator SU Haider are also seen in the picture.



Md Nurul Huda, managing director of BASIC Bank Limited, presides over the managers' conference-2003 of the bank held in the city yesterday.

Row over cheap drugs

EU to table new proposal at WTO talks in Feb

AFP, Brussels

The European Union is to table a new proposal at the World Trade Organisation on giving poor countries access to cheap medicines, after the United States blocked a deal last month, Brussels said Thursday.

WTO members tried last month to hammer out an agreement to relax patent rules so that poor countries without a drugs industry can import cheap generic copies of patented medicines for illnesses such as AIDS, tuberculosis or malaria.

But the United States said it could not sign on because some WTO members and aid lobbyists

had pressed to expand the focus "to allow much wealthier countries to override a wide range of drug patents, for example, Viagra".

After the collapse of the talks in Geneva, the United States promised to let countries export life-saving drugs to needy nations without making any challenge to the WTO.

But the EU said the offer was insufficient, and the European Commission said it was preparing a counter-proposal in a bid to clinch a binding deal at a WTO meeting on February 10-11.

Trade Commissioner Pascal Lamy said on Thursday that the EU was proposing for a lengthy list of

serious diseases to be covered by generic drugs, as already agreed by the United States.

But where there are differences over the seriousness of a disease, the World Health Organisation would be called in to arbitrate, Lamy said.

"We are convinced we will be able to break the deadlock and clinch an agreement rapidly," he told reporters, adding he had been in contact with the US side to explain the EU proposals.

Lamy stressed the EU wanted a multilateral solution covering all WTO members, rather than the unilateral, temporary deal offered last month by the United States.

Mahathir urges developing states to fight for fair trade

AFP, Kuala Lumpur

Malaysian Prime Minister Mahathir Mohamad on Thursday urged developing countries to keep up the fight for fairer global trade and told rich countries to help them grow.

Southeast Asia's longest-serving leader criticised the what he called the unfair trading environment which lumped rich and developing nations together without rules or regulations.

"Cities do not compete with villages, nor adult athletes with children. To compete fairly, the competitors must belong to distinct categories," he told a business

seminar here.

"It does not take a genius to see that the dice is loaded against the weak and the poor."

Mahathir said poor countries must be given more time to adjust to competition.

"We expect poor and weak countries to be given some protection. We should perhaps have some categories when it comes to competition. We shouldn't ask a tiny bank in Nepal to compete with Citibank in the US.

"It's not fair," he said.

He repeated a call for rich multinational corporations to "pay a world tax" to help build infrastructure in

developing nations.

For example, he said, the fund could help landlocked countries in central Asia build railways so they could cut transportation costs and be more competitive.

"They will be prosperous and then we can move in with our banks but when they are poor, they are of no use to anybody."

Despite "rule-based trading" under the World Trade Organization (WTO), Mahathir said there was still no fair competition as rules were skewed in favour of big and rich corporations.

BAB welcomes proposal to raise private bank paid-up capital

Bangladesh Association of Banks (BAB) welcomed the proposed measure for raising the paid-up capital of private banks to Tk100 crore.

However, the members of the association were of the view that reasonable time should be given to the banks for meeting the proposed requirement, says a press release.

The association questioned the government initiative as reported by the press, indicating that the central bank will nominate two directors on the boards from their depositors. The concern of the Bangladesh Association of Banks in this respect was as to procedure to be followed to appoint such directors from the depositors.

The members expressed concern about such measure and referred to the performance of some of the directors appointed by the government in some boards of banks.

Moreover, the proposed inclusion of external directors was likely to be influenced by political considerations", the press release read.

The members also expressed concern about the proposal for limiting the tenure of bank directors to six years. Saying it would curb the entrepreneurial spirit of future generation and adversely affect the national interest.

Syed Manzur Elahi, chairman of BAB, urged the government to discuss with Bangladesh Association of Banks (BAB), the apex body of the banking organisation, and decide the issues on a mutual basis to strengthen the banking industry of the country.

JB scheme for cow rearing

Janata Bank has launched a new loan scheme for cow production in Sirajganj and Pabna region, says a press release.

This will help meet demand of milk deficiency of the country and ensure establishment of small farm by producing home variety and sankar variety cows.

Under the scheme, for the high yielding varieties home cows Tk 20-25 thousand and for sankar variety cows Tk 30-35 thousand will be disbursed as loan.

This scheme is free from any collateral security and repayable at easy instalment.

The rate of interest has been fixed at 11 per cent.

About 115 farm owners have been financed up to Tk 50 lakh under this scheme.

AB Bank, Mumbai 5th among 26 foreign banks in India

Arab Bangladesh Bank Limited, Mumbai branch ranked 5th for its outstanding performance in 2002 among the 26 foreign banks operating in India, says a press release.

The ranking has been done following a survey jointly conducted by the financial magazine Business Today and the KPMG, one of the leading international management consultancy firms.

Size, operations, earning quality, productivity, capital adequacy and asset quality of the banks were taken into consideration while making the ranks.

In 2001, AB Bank, Mumbai branch ranked seventh in the similar survey.

Still poor turnout at DITF

STAR BUSINESS REPORT

The third day of the ninth Dhaka International Trade Fair-2003 (DITF) saw poor turnout of visitors.

Quamrul, who visited the fair with few of his friends, yesterday said his family members had intended to visit the exhibition but finally they were compelled to change the decision because of the chilly weather.

Organisers have attributed the poor turnout to cold wave that is sweeping across the country. However, they hope for a large gathering today as it is the weekly holiday.

Some participating companies had not completed construction of their respective stalls till yesterday. Workers of those stalls were still giving final touches to their stall decorations.

Visitors were mainly crowding

the stalls to see the new products in the fair. Sellers and the fair authorities hope after scrutiny of various products full-pledged buying will start.

Rizia Sultana from the city's Mirpur area said she is interested to buy a microwave oven from the fair. Yesterday she with two other housewives visited the fair to choose the best one from different brands.

The fair has been jointly organised by the Ministry of Commerce and Export Promotion Bureau (EPB).

A total of 426 local and foreign companies are participating in the fair this year. Of them, 392 are local companies and 34 are foreign firms.

Foreign countries include the USA, Germany, Japan, Canada, China, Egypt, France, India, Indonesia, Switzerland, Iran, Italy, Malaysia, Pakistan, Russia, Singapore, South Korea, Spain,

Thailand and the UAE.

The companies are showcasing a wide range of products in this year's fair that include machinery, equipment and materials for agriculture and gardening, carpets, chemicals and allied products, cosmetics and beauty aids, dairy products and equipment, electrical and electronic item, food stuff and groceries, gift and novelty items, handicrafts, household appliances, leather, leather goods and footwear, sport goods, sanitary ware, textile and garment products, toys and stationery, watches and clocks, jewelry, ceramics, melamine, car and plastic products.

The trade fair remains open to visitors from 10am to 9pm on weekdays and from 10am to 10pm on holidays. Entry fee has been fixed at Tk 10 per person and Tk 5 for children between 2 to 12 years.



Software marketing company BDCOM Infotech Ltd Chairman Moynul Haque Siddiqui and US-based Open Sesame Computer Systems Bangladesh Ltd Director Kazi Golam Farooque sign a memorandum of understanding (MoU) recently in the city. Under the MoU, BDCOM will market the RMG Management System software, developed by Open Sesame.

Iraq war may eclipse Bush economic plan: Analysts

AFP, Washington

A lengthy war with Iraq would have a far greater impact on the US economy than President George W. Bush's economic stimulus plan, analysts said Wednesday.

"That's much more important to the near-term outlook than the tax bill," said Deutsche Bank economist Cary Leahy.

"A swift and successful invasion of Iraq and no further terrorist activities here in the States will be much more important for the business confidence than the tax bill."

The stimulus package "will be dwarfed by concerns about, not the military action in Iraq itself necessarily, but about some of the, quote, unintended consequences, unquote," said Ken Goldstein of the business research group Conference Board.

"What happens if serious problems erupt elsewhere in the Muslim world? What happens if we have serious attempts like we've seen recently in Mombassa and Bali?" he said.

Bush on Tuesday launched a new 10-year 674-billion dollar stimulus plan, saying that "warning signs" for the ailing US economy had to be acted upon.

Bush's plan, which calls for eliminating taxes paid on share dividends, aims to create 2.1 million

jobs by 2006 and give some 92 million taxpayers an average tax cut of 1,083 dollars in 2003.

But a war with Iraq would eclipse those plans.

"An attack on Saddam Hussein or a surrogate of Saddam Hussein would cripple our economy," Bush himself said on December 31.

According to a senior administration official, the cost of a war with Iraq would be 50 to 60 billion dollars -- less than previous estimates by the US government and less than the 1991 Gulf War.

But economists are coming up with different figures, closer to the 100 to 200 billion dollar estimate put forth in October by former White House economic advisor Lawrence Lindsey, who has since been dismissed.

According to Yale University economist William Nordhaus, the cost of a war against Iraq could run from 120 billion to 1.6 trillion dollars.

"The Bush administration has not prepared the public for the cost or the financing of what could prove to be an expensive venture," Nordhaus said. "Perhaps it worries that acknowledging the costs will endanger the large future tax cuts, which are the centerpiece of its domestic policy."

"Nonetheless, the price must be paid -- by raising taxes, by cutting

expenditures, or by forcing the Federal Reserve do the job by raising interest rates, thereby curbing investment and especially housing. One way or another, Americans will pay for the war," Nordhaus said.

Other nations will not split the bill, he cautioned.

"The predisposition of the United States under the Bush administration to undertake unilateral actions poses major risks. From an economic point of view, unilateral actions imply that the cost will be largely borne by the United States."

The Center for Strategic and International Studies, in a study published in late 2002, estimated that a war on Iraq could cost up to 125 billion between now and the end of 2004.

The study proposed three scenarios, based on the length of the war or the extent of its repercussions. In the worst-case scenario -- a war longer than three months -- "the growth rate in the US slows by 4 1/2 percentage points relative to the no-war case," said former Federal Reserve Governor Laurence Meyer.

With unemployment at 7.5 per cent of the working population, rampant inflation and oil soaring to 80 dollars per barrel, the economy would slip back into recession, he said.